

# MISSOURI RURAL ECONOMIC STIMULUS ACT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

## PURPOSE

Provide financial incentives for public infrastructure for the development of renewable fuel production facility or eligible new generation processing entity facility, creating new jobs and agricultural product markets in rural Missouri.

## AUTHORIZATION

Sections 99.1000 to 99.1060, RSMo

## ELIGIBLE AREAS

A contiguous and “blighted” Development Area, not encompassing more than 10% of the area of an eligible municipality.

## ELIGIBLE APPLICANTS

Any incorporated Missouri city, town, village or county established on or prior to January 1, 2001, having a population of 99,999 or less.

## HOW THE PROGRAM WORKS

A portion of the new state and local taxes created by the production facility project may be diverted to fund construction of eligible public infrastructure and related costs for a period of up to 25 years. The local funding must be, at a minimum, 50% of the amount of the new local Economic Activity Tax (sales and utility tax, etc.), and 100% of the amount of the new real property tax created by the project each year, or a comparable amount of local funds from the municipality or a private non-profit organization.

## ELIGIBLE PROJECTS

Projects must be for the creation of a renewable fuel production facility or other eligible new generation processing facility, with a cost of at least \$3 million, and projected to create at least 30 new jobs.

## FUNDING LIMITS

- ✓ A project must produce a positive tax increment before funds can be received.
- ✓ A project may receive up to half of the increased amount of state sales and/or income tax it generates.
- ✓ The program is limited in any year to the amount appropriated by the General Assembly. Current law provides a maximum \$12 million per year.
- ✓ If appropriations are not adequate to cover disbursements, projects receive a pro-rata share of increment.

## APPLICATION PROCEDURE

Municipalities submit an application to the Missouri Agriculture and Small Business Development Authority (MASBDA), which will forward copies to the Missouri Department of Economic Development (DED) for joint investigative and review period of about 60 days. Applicant may receive requests for additional information from either agency. MASBDA will present an analysis and funding recommendation to DED. If a project is to be approved for funding, DED would issue a Certificate of Approval outlining the terms of the financing. Applications may be submitted any time, but only after local approval of the development plan and prior to beginning of construction or bond financing.

## EVALUATION CRITERIA

MASBDA’s recommendation for funding will be based on criteria that include:

- ✓ Meeting all eligibility requirements
- ✓ Demonstrating the need for funding, such that the projected return on investment by the developer is below market standards without state/local subsidy and that such subsidy is the least amount necessary to cause the project to occur

- ✓ Demonstrating the developer and/or the business can successfully implement the project, based on prior experience and financial viability
- ✓ A positive net state fiscal benefit (deducting all state costs/incentives related to the project), and
- ✓ Recognition that availability of funding is based on state appropriations.

## CONTACT



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## ADDITIONAL RESOURCES

Go to the department's home page at [www.missouridevelopment.org](http://www.missouridevelopment.org) to obtain guidelines and forms for MORESA as well as information regarding Missouri's many other economic development programs and policies.